



# **Finance 102: Financial Reporting & Standards for Financial Documentation**

SHANNON GIROUARD

VIRGINIA SERVICE COMMISSION

# Session Objective:

To explain expectations for accurate and compliant reporting of program expenditures to the Commission and standards for maintaining financial documentation.

- ☐ Importance of reliable reporting
- ☐ Types and schedule of financial reporting in OnCorps
- ☐ Sources of supporting documentation for expenditures
- ☐ Implications for subrecipient monitoring





# Importance of Accurate & Reliable Financial Reporting

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# Assess Performance

CNCS

- Reports to Congress
- Funds recapture
- Indication of AC Program performance nationally

COMMISSION

- Aggregate Financial Reports (FFR)
- Unexpended Funds report
- Indication of Commission performance

SUBGRANTEES

- Monthly & quarterly expenditures reports
- Indication of subgrantee performance

# Assess Compliance

**How do I know if my costs are compliant?**





# Uniform Guidance

- Subpart A– Acronyms and Definitions
- Subpart B– General Provisions
- Subpart C– Pre-Federal Award Requirements and Contents of Federal Awards
- Subpart D – Post-Federal Award Requirements
- Subpart E– Cost Principles
- Subpart F – Audit Requirements

# Financial Management Standards

“The recipient must maintain financial management systems that comply with 2 CFR § 200.302(b). The recipient’s financial management systems must be capable of distinguishing expenditures attributable to this award from expenditures not attributable to this award.

[FY 2020 General Grant and Cooperative Agreement Terms and Conditions](#)

# Financial Management Standards

“The systems must be able to identify costs by program year and by budget category, and to differentiate between direct and indirect costs. For all recipient’s financial management requirements and responsibilities, refer to Subparts D and E of 2 CFR Part 200.”


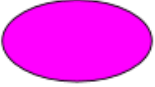

[FY 2020 General Grant and Cooperative Agreement Terms and Conditions](#)

# Financial Management Standards

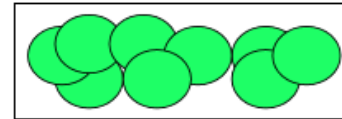
§200.302 Financial management.

- Distinguish grant versus non-grant related expenses
- Identify costs by program year and budget category
- Differentiate between direct and indirect costs
- **Account for each award/grant separately**
- Record in-kind contribution as both revenue and expense
- Correlate financial reports submitted to accounting information

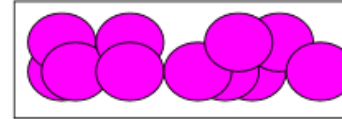
# Do Not Comingle

-  Dept. of Education Grant
-  CNCS Grant
-  Ford Foundation Grant

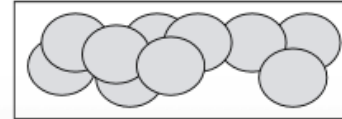
## Accounting System



Grant 1

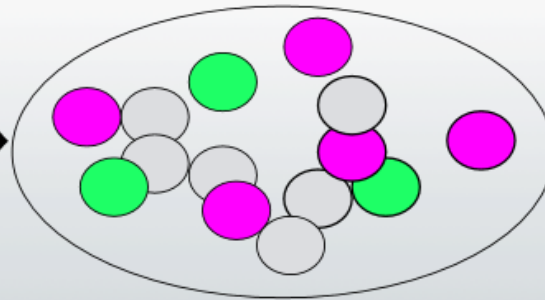


Grant 2



Grant 3

NOT →



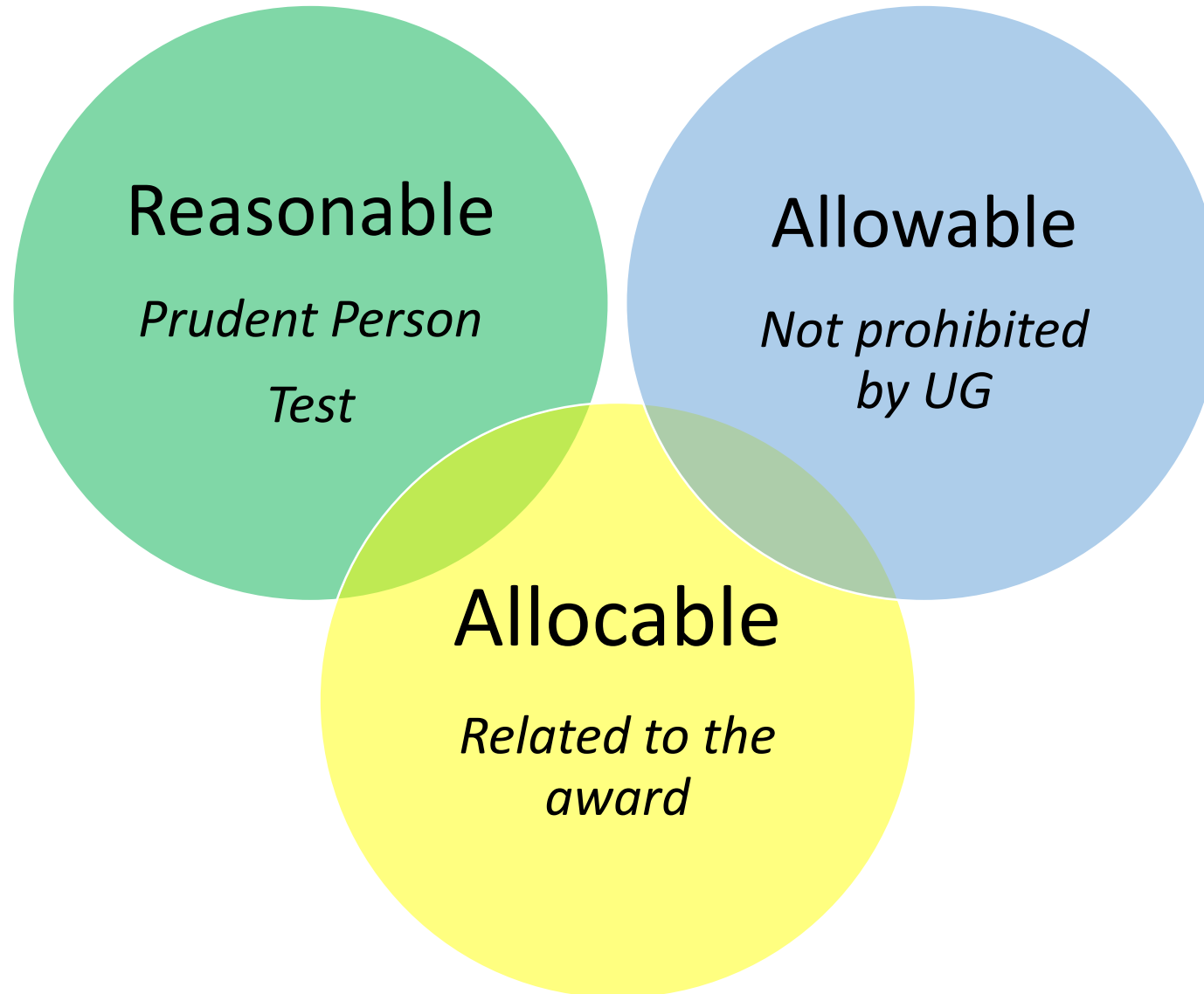
Source: America's Service Commissions

# Allowability of Costs

“To be allowable under an award, costs must meet the criteria of 2 CFR § 200.403, which provides that costs must be necessary and reasonable for the performance of the award, must conform to limitations in the award or 2 CFR Part 200 as to types or amounts of cost items, must be consistent with policies and procedures that apply uniformly to both Federally financed and other activities of the recipient, must be adequately documented.....”

[FY 2020 General Grant and Cooperative Agreement Terms and Conditions](#)

# Determine if costs charged to your grant are:





# Grantee Share, or Match

Charges for Grantee Share must meet this same criteria in order to be eligible





# Types of Financial Reporting

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# Periodic Expense Reports (PER)

- Submitted through OnCorps Reports by the 10<sup>th</sup> of the month
- Part of audit trail which traces expenditures included in the reports to the individual budget categories and line items
- Substantiated by source documentation maintained on-site and available upon request

# Periodic Expense Reports (PER)

- Cumulative report of financial activity for the performance period.
- Enter Current Expenditures and YTD and Balance Remaining are automatically calculated.

# Periodic Expense Reports (PER)

- Serves as your invoice to VDSS for reimbursement of reporting month's expenses
- If PER is submitted but not yet approved in OnCorps, it can still be corrected, however it..
  - Must first be rejected by the fiscal officer in OnCorps in order to be resubmitted

# PER as your Invoice

- Cost reimbursement award- Costs paid and reimbursement requested from the Commission
- The expenditures can be reported on the cash or accrual basis, but must be consistently reported on the same accounting basis
- Should reflect any adjustments from prior reports such as returns or credits (eg. cancellation of travel)

**Invoice based on actual costs!**  
**Never report based on the budget**  
**only because.....**



**What is anticipated is not  
necessarily what is expended.....**

**BUDGET  $\neq$  ACTUAL**



# PER Reminders

- Report expenditures only in categories where funds are budgeted
- Were any prior approvals needed?
- Was slot conversion approval sought through Program Change Request? Then Budget Modification..... Then incur expense

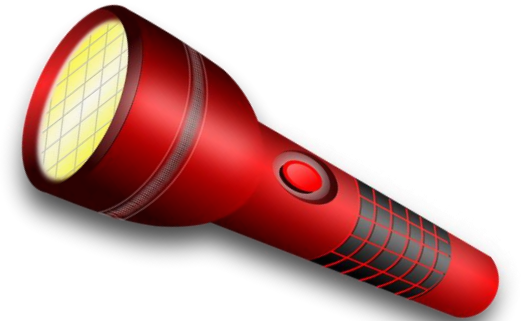
# Processing your Invoice

- Processing time for reimbursement is approximately 10 days from date of submission; Invoices are processed as a batch after due date
- Submission prior to due date does not mean it will be processed for payment; Contact Fiscal Officer if reimbursement is requested upon submission before deadline
- Receive funds through electronic transfer

# Final Periodic Expense Report

- Expenses must be for services or activities incurred prior to the end of the program year's performance period
- Select “Final” toggle button at the bottom of the PER
- No further disbursements for the program year after the Final has been submitted
- Contact the Commission if you need additional time to complete and reconcile final expenditures for the last month prior to submitting the final PER.

# **Selected Items on PER (Worth Highlighting)**



# Grantee Share (Match) Reporting

Current Expenditures			
CNCS	Grantee Cash	Grantee In-kind	Total

# 2020-2021 Match Waiver

**NEW**

- AmeriCorps requires cost sharing by statute
- Match requirement has been waived by CNCS for 2020-2021 due to COVID-19
- Visit [COVID-19 FAQs](#) issued by CNCS for updates
- Continue to track cash and in-kind contributions that help support the program regardless of waiver
- Reinstatement of match requirement is unknown

# Worker's Compensation

L.2	Workers Comp
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- Offered through Commonwealth of Virginia for members and handled by VSC
- Invoice for worker's compensation sent to programs for the active program year in July
- \$50/member in 2020-2021
- Billed for all members active at any point during the program year, including early exits

# Administrative Cost Cap (5%)

Administrative ~ Indirect Costs		
A	CNCS Fixed Percentage	
A.1	CNCS Fixed Costs	\$2,373.00
A.2	Commission Fixed Costs	\$593.00
B	Federal Indirect	\$0.00

- Administrative Costs are made up of:
  - **CNCS** Fixed Costs (4%)
  - **Commission** Fixed Costs (1%)
- These two lines should be reported and drawn as a % of Total Program Operating Costs expenditures (CNCS Share) each month
- If you included a federal indirect cost rate in your budget, you are still limited to the maximum of 5%



# Administrative Costs

- Check PER calculation of Administrative Costs for accuracy
- Use Administrative Costs Calculator on Resource Portal for help

# Commission Fixed (1%)

A.2 Commission Fixed Costs

Commission Fixed Costs are also known as Commission Support Fees

- They are reported in the PER monthly and “drawn” as CNCS funds are expended (just as the CNCS Fixed Costs)
- Commission Support Fees are collected annually by VSC via invoice following submission of June PER

# Reporting Expectations

- Adjustments for prior periods should be explained in Comments section of PER.
- Do not report expenditures in categories not budgeted, including grantee share.

Budget Item		Budget Total				Current Expenditures				Year-To-Date			
		CNCS	Grantee Cash	Grantee In-kind	Total	CNCS	Grantee Cash	Grantee In-kind	Total	CNCS	Grantee Cash	Grantee In-kind	Total
<b>Program Operating Costs</b>													
A	Personnel Exp	\$49,990.00	\$63,000.00	\$0.00	\$112,990.00	\$2,188.00	\$100.00	\$0.00	\$2,288.00	\$8,306.09	\$37,269.31	\$0.00	\$45,575.40
B	Fringe Benefits	\$30,010.00	\$4,820.00	\$0.00	\$34,830.00	\$865.00	\$4.00	\$0.00	\$869.00	\$3,283.43	\$2,541.12	\$0.00	\$5,824.55
C	Travel												
C.1	Staff Travel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$732.99	\$0.00	\$732.99
C.2	Member Travel	\$7,285.00	\$0.00	\$0.00	\$7,285.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,841.97	\$0.00	\$0.00	\$3,841.97
C.3	Travel Subtotal	<b>\$7,285.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$7,285.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,841.97</b>	<b>\$732.99</b>	<b>\$0.00</b>	<b>\$4,574.96</b>
D	Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
E	Supplies	\$0.00	\$20,867.00	\$0.00	\$20,867.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$22,731.31	\$0.00	\$22,731.31
F	Consultants	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

# Aggregate Financial Reports (AFR)

- Submitted through OnCorps quarterly
- OnCorps populates submission based on PERs for reporting period
- All Periodic Expense Reports for the period must be submitted and approved in OnCorps before the AFR can be completed in OnCorps

# AFR Reporting Schedule

Reporting Quarter	Reporting Period*	Due Date
1	September 1-30	October 15
2	October 1 – December 31	January 15
3	January 1 – March 31	April 15
4	April 1 – June 30	July 15
5	July 1 –August 30	September 15

\*All Periodic Expense Reports for the reporting period must be submitted and approved in OnCorps before the AFR can be completed in OnCorps Reports.

# Aggregate Financial Reports

- Commission consolidates AFRs to reconcile against its records and complete the CNCS Federal Financial Report (FFR)
- Enter complete information in report header
  - Grant number: 19AFHVA001 (Formula Only)
- Report Program Income, if applicable

# Is your program earning program income?

- Income, including fees for service, earned as a direct result of the award-funded program activities during the award period
- Must be used, or put toward, the program's Grantee Share portion

# Program Closeout- Financial

- Residual Supplies form
- Final AFR submitted?
- Grantee Share met or exceeded?
- Admin costs drawn do not exceed 5% (.0526)?
- Expenditures during the period of performance only
- Outstanding findings from any compliance reviews resolved
- Claimed Cost Reconciliation



# Reporting Expectations

- All financial reports should be reviewed and approved by an individual other than the individual completing the report
- Involve organization's financial staff if not already responsible for completing reports
- A program director should not complete and submit reports without additional review in order to:
  - Avoid and detect errors
  - Demonstrate adequate organizational internal controls
  - This is for your protection!

# Unexpended Funds

- A significant balance of unexpended funds for 2019-2020
- These funds can be recaptured by CNCS and unavailable to the Commonwealth in the subsequent year, therefore.....



# Unexpended Funds

- Expend your funds to the maximum extent possible, while ALWAYS remaining mindful of “reasonable, allowable and allocable” costs
- A Commission Unexpended Funds policy could result in funds being recaptured from subgrantees so that they can be fully utilized during the program year



# Documenting Your Expenditures

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**“If it isn’t appropriately documented,  
then it didn’t happen.”**

**A Wise Person**

# AmeriCorps Cost Categories

I.A. – Personnel Expenses

I.B. – Personnel Fringe

- Which positions are listed on the approved budget?
- Were the criminal background checks completed correctly?

# Personnel: Salary/ Wages & Fringe

## Time & Effort Reporting

- Timesheets align with the payroll period and provide information on all activities of the employee
- Time and effort reports show allocation to the program
- After the fact determination of how time was spent
- Account for the total of each days' activity
- Signed by employee and supervisor

# Common Issues:

- Inadequate documentation to support charges to the grant

Examples of incorrect allocation methods include:

- Based on the budget
- Based on estimates
- Including non-AmeriCorps duties

Other common mistakes include:

- Unsigned timesheets



# AmeriCorps Cost Categories

I.A. – Personnel Expenses

I.B. – Personnel Fringe

**I.C. – Travel** (Staff)

I.D. – Equipment

I.E. – Supplies

I.F. – Contractual & Consultant  
Services

I.G. – Training

I.H. – Evaluation

I.I. – Other Program Operating Costs

II.A. – Living Allowance

**II.B. – Member Support Costs**

III – Administrative/Indirect Costs

# Staff and Member Travel

- Expenditures for mileage, lodging and per diem
- Receipts, trip mileage forms, per diem calculators
- Is documentation consistent with organization's travel policy? Approvals?
- Is purpose of travel documented?
- What are reimbursement rates based on? GSA or Organization
- If staff or members receive a travel "stipend," how is amount determined to ensure reasonableness?

# AmeriCorps Cost Categories

I.A. – Personnel Expenses

I.B. – Personnel Fringe

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**I.E. – Supplies**

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# Supplies

- Example: Member Gear
- Adheres to your organization's purchasing policy
- Necessary and reasonable? Including charged as match
- Value of residual supplies at closeout

# AmeriCorps Cost Categories

I.A. – Personnel Expenses

I.B. – Personnel Fringe

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**I.I. – Other Program Operating  
Costs**

II.A. – Living Allowance

II.B. – Member Support Costs

III – Administrative/Indirect Costs

# Other Program Operating Costs

- Supported by cost allocation plan for charges such as rent or utilities
- Ensure that your organization has a clear methodology if these expenses benefit more than one project within your organization

# AmeriCorps Cost Categories

I.A. – Personnel Expenses

I.B. – Personnel Fringe

I.C. – Travel

I.D. – Equipment

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**II.A. – Living Allowance**

II.B. – Member Support Costs

III – Administrative/Indirect Costs

# Living Allowances

- Does disbursement comply with CNCS guidance? Terms and Conditions, FAQs, Commission guidance and policies?
- Frequent living allowance concerns:
  - Timesheets not submitted/approved to substantiate payment of living allowance
  - Lump sum payments to catch up or to finish early
  - Amount budgeted doesn't match payout on payroll report



# AmeriCorps Cost Categories

I.A. – Personnel Expenses

I.B. – Personnel Fringe

I.C. – Travel

I.D. – Equipment

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II.A. – Living Allowance

II.B. – Member Support Costs

**III – Administrative/Indirect  
Costs**

# Administrative Costs

- CNCS does not require documentation of administrative costs.
- Do not leave your administrative costs on the table!



# ✓ **Self-Check**

Overall, is/ does your documentation.....

- ☐ Leave no question as to whether or not the criteria of reasonable, allowable and allocable were met?
- ☐ Accurate and complete?
- ☐ Follow your own policy and procedures including approvals?
- ☐ Retained based on the written record retention policy?

# Scenario

Maria Romero is listed in the approved eGrants application and budget as the AC Program Director with 100% of her salary and benefits allocated to the grant- 50% CNCS Share and 50% Grantee Share.

Shortly after joining the organization, the training coordinator abruptly leaves and Maria begins to assume the coordinator's duties at the request of her supervisor. Maria completes an monthly activity timesheet in Excel that she retains in an electronic folder. She continues to record 100% of her time to AmeriCorps since she expects the staff vacancy will be filled quickly and she works more than 40 hours a week anyway.

# Scenario

- Are there any issues with the basis for charging the grant? What are they?
- What are some additional questions you might ask to make a determination?

# **Thank You!**

**For more information, contact  
Shannon Girouard, Fiscal Officer**

**[Shannon.girouard@dss.virginia.gov](mailto:Shannon.girouard@dss.virginia.gov)**

**(804) 726-7072**